

**MINUTES**

**MONTANA SENATE  
58th LEGISLATURE - REGULAR SESSION  
COMMITTEE ON STATE ADMINISTRATION**

**Call to Order:** By **CHAIRMAN JOHN COBB**, on January 15, 2003 at 3:20 P.M., in Room 303 Capitol.

**ROLL CALL**

**Members Present:**

Sen. John Cobb, Chairman (R)  
Sen. Mike Sprague, Vice Chairman (R)  
Sen. Kelly Gebhardt (R)  
Sen. Carolyn Squires (D)  
Sen. Mike Wheat (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Pat Murdo, Legislative Branch  
Mona Spaulding, Committee Secretary  
Mari Prewett, Transcription of Minutes

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 4 cont., 12/5/2002; SB 50  
cont., 12/9/2002  
Executive Action: SJR 3

**HEARING ON SB 4 AND SB 50 CONTINUED**  
***{Tape: 1; Side: A}***

**Announcements:** **CHAIRMAN COBB** said there would be no order to testimony. The two bills would be heard together.

**Sponsor SB 4:** **SENATOR GLENN ROUSH, SD 43**

**Sponsor SB 50: SENATOR DEBBIE SHEA, SD 18**

**Proponents SB 4:** Al Armstrong, VVA-626; Mike Collins, Helena; Allen W. Erickson, Sr., NW Montana Veterans Stand-Down, Food Pantry; Dewey Hahlbohm, VVA 626; Mike Hampson, VVA-MT; Keith Heavy Runner, Blackfeet Nation; Art Heffelfinger, Montana State Council, Vietnam Veterans of America (VVA-MT); Daniel Hutchinson, Billings Homeless Veterans Stand-Down; Stephen Joppa, Marine Corp League (MCL); Mike Secrease, VVA; W. Lee Smith, Persian Gulf Veteran

**Opponents SB 4:** None.

**Proponents SB 50:** Don Bogut, Montana Board, Veterans' Administration; Noel R. Davidson, American Legion; Fred Frisch, American Legion; Karen Furu, Montana Board, Veterans' Administration; Jerry Homstad, American Legion; Jim Jacobsen; Larry Longfellow, VFW; Hal Manson, American Legion; Carl Nordberg, American Legion; Raymond K. Read, American Legion Post 2, VFW 1430, VVA 626 Robert Schwegel, Service Officer, Veterans of Foreign Wars (VFW); Ed Sperry, American Legion; Gary White, American Legion

**Opponents SB 50:** Rick Salyer, Helena

**Informational Witness:** Joe Walsh

**Proponents' Testimony:**

Art Heffelfinger, retired Vietnam officer representing himself, testified on SB 4 and SB 50. Mr. Heffelfinger stated that his testimony did not reflect any opinion but his own. Mr. Heffelfinger expressed his opinion on three fundamental issues he felt could not be compromised. Those issues were accountability, democratization and money. Mr. Heffelfinger discussed several pages from "Veterans' Affairs A House Divided" published by the State Administration and Veterans' Affairs Interim Committee. He distributed a handout entitled "Fundamental Changes in the Structure of Montana Veterans' Affairs, which is attached as Exhibit 1.

**EXHIBIT (sts08a01)**

**{Tape: 1; Side: A; Approx. Time Counter: 0.0 - 7.4}**

REP. RALPH LENHART, HD 2, Glendive, stated that he had been a member of the Interim Veterans' Affairs State Administration Committee. He explained that in Glendive they had heard about

the problems that existed concerning Veterans and their need to access better health care and being paid attention to. He stated that SB 4 had come from the Interim Committee. He pointed out that by taking the best parts from SB 4 and SB 50 they could create a better bill. He remarked that he felt it would be a good idea to put the Veterans' Affairs under the Department of the Military Affairs.

***{Tape: 1; Side: A; Approx. Time Counter: 7.4 - 10}***

**Jim Jacobsen, representing himself**, gave a background of his military service both active duty and as Administrator at Fort Harrison. He went on to discuss his involvement in the American Legion and Veterans' of Foreign Wars. **Mr. Jacobsen** discussed Fort Harrison and the excellent healthcare he had been provided there. He pointed out that during his time with the Veterans' Affairs Division and working with the Montana Veterans' Affairs Board and other related organizations, there had always been a Vietnam Veteran on the Board. He continued that he hoped there could be some consensus between SB 4 and SB 50. **Mr. Jacobsen** stated that he felt that one of the primary issues was to support the veterans by placing them under the Department of Military Affairs. The second primary issue, he stated, was money. He went on to discuss the benefits of the VA. **Mr. Jacobsen** closed by expressing his strong support for SB 50.

***{Tape: 1; Side: A; Approx. Time Counter: 10 - 18.5}***

**Mike Hampson, President of the State Council on Vietnam Veterans of America**, gave some background and stated that the bill had come about after two and one-half years of testimony from veterans. He went on to indicate that he was not sure if SB 4 and SB 50 could be combined, as many of the veterans that had testified did not belong to any veterans' organizations. He continued that they needed to focus on what were state issues and what were federal issues. He pointed out that Fort Harrison had introduced a drug and alcohol program, however, many veterans were still going out of state. **Mr. Hampson** distributed three letters in support of SB 4, attached as Exhibits 2, 3 and 4.

**EXHIBIT (sts08a02)**

**EXHIBIT (sts08a03)**

**EXHIBIT (sts08a04)**

***{Tape: 1; Side: A; Approx. Time Counter: 18.5 - 21.6}***

**Gary White, State Adjutant of the American Legion**, informed the Committee of the membership statistics of the various organizations representing veterans. He went on to express the need for geographic representation on the Board. He stated that they had an excellent voice under the current system. He went on to say that under SB 50 they could possibly have the same by having more tribal representation. **Mr. White** pointed out that it was time for compromise between the status quo and SB 4. He stated that with a little more fine tuning they could improve SB 50 and urged passage of the bill.

*{Tape: 1; Side: A; Approx. Time Counter: 21.6 - 25.3}*

**Richard Salyer, Helena**, spoke in opposition to SB 50. He stated that he wanted to point out a couple of issues that he had mentioned previously. First of all that over 75% of the veterans and their dependants in the State do not belong to a veterans organization but were considered by the Subcommittee in their investigations. He continued that there was a reason they did not belong to the organizations. He went on to say that he supported SB 4 and asked why the Montana Veterans' Affairs Division and Veterans' Service Offices were lobbying for SB 50. He informed the Committee that he felt it was wrong. **Mr. Salyer** concluded by stating that he would like to know who actually requested the bill.

**Mr. Salyer's** written statement, attached as Exhibit 5.

**EXHIBIT**(sts08a05)

*{Tape: 1; Side: A; Approx. Time Counter: 25.3 - 26.8}*

**Edward Sperry, Past Commander, American Legion, Stevensville**, gave an overview of his military career. He explained that as he resided close to Missoula he was representing all of the veterans of that area. **Mr. Sperry** spoke of the Interim Committee, its original purpose and the ensuing audit. He stated that the administrative attachment to the Department of Military Affairs was not appropriate according to the audit. He went on to say that the system was not fundamentally broke and did not need a major overhaul. He continued, saying that the criteria for judging the effectiveness of the Board, advocates an effective system of instant flexibility to deal with changing veteran populations and issues. He further stated that the flexibility would be provided by minor resource allocations and would not require fundamental reorganization as seen in SB 4.

**Mr. Sperry** remarked that his next concern was compromise and felt that SB 50 was that compromise. He commented on the differences

between the various veterans' organizations and the related problems.

***{Tape: 1; Side: A; Approx. Time Counter: 26.8 - 29.8}***

**Mr. Sperry** went on to discuss what he wanted the Committee to do, the makeup of the Board, what he would like to see the Board accomplish and the need for females to be represented.

**Mr. Sperry's** written testimony is attached as Exhibit 6.

**EXHIBIT**(sts08a06)

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 3.4}***

**Mike Secrease, Service Officer, Vietnam Veterans' of America, Fort Harrison**, explained that he had been involved with the Interim Committee and suggested that SEN. HARDGROVE and SEN. ROUSH be part of the proposed process. He went on to say that only 30% of the veteran population belonged to a Veterans' organization and, therefore, were not being represented. **Mr. Secrease** pointed out that there had been changes occurring at the federal level as a result of the Interim Committee investigations. He then stated that there were problems and they needed to be fixed. He remarked that many of the problems were the result of the fact that there was no accountability. **Mr. Secrease** discussed the need for a chain of command and the need to build a foundation to be able to move forward.

***{Tape: 1; Side: B; Approx. Time Counter: 3.4 - 10.4}***

**Dewey Hahlbohm, representing VVA 626**, stated that he was a retired Vietnam Veteran and was presently working at Fort Harrison as a physician's assistant. **Mr. Hahlbohm** remarked that he hoped that they could reach a compromise with the two bills. He then expressed the good points of the bills as well as his concerns regarding both. He concluded by saying that he felt there was a consensus for change and hoped that they would guide the process to a compromised bill that would be beneficial for all.

***{Tape: 1; Side: B; Approx. Time Counter: 10.4 - 16.7}***

**Larry Longfellow, Adjutant Quartermaster for the Department of Montana Veterans of Foreign Wars**, spoke as a proponent to SB 4 and SB 50. **Mr. Longfellow's** written testimony is attached as Exhibit 7. **Mr. Longfellow** provided the Committee with a packet

of letters from around the State in opposition to SB 4 and in support of SB 50, attached as Exhibit 8.

**EXHIBIT**(sts08a07)

**EXHIBIT**(sts08a08)

*{Tape: 1; Side: B; Approx. Time Counter: 16.7 - 23.2}*

**Carl Nordberg, State Commander, American Legion**, spoke in support of SB 50. He informed the Committee that at their State Convention the delegates had voted to support SB 50.

**Allen Armstrong, representing himself**, expressed his opinion that they needed to have a representative from each tribe on the Board.

*{Tape: 1; Side: B; Approx. Time Counter: 23.2 - 25.4}*

**Joe Foster, Administrator, Montana Veterans' Affairs Division**, discussed the proposed new Veterans' license plates as a source of funding and the fact that the revenue could not be determined. He expressed his concerns regarding the impact on the Veterans' cemeteries. He stated: "The status should not be endangered due to undue competition for another specialty plate." **Mr. Foster** then discussed the inclusion of the Division with the Department of Military Affairs and the National Guard resources.

*{Tape: 1; Side: B; Approx. Time Counter: 25.4 - 27.5}*

**Mr. Foster** went on to discuss the per capita veteran population, the per capita federal VA expenditures and provided services. He then commented on disability compensation and pensions. **Mr. Foster** related information on South Dakota's program.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 4.5}*

**Dan Hutchinson, representing the Billings Homeless Veterans**, stated that he hoped that something better than the system in place would come out of the hearing. He went on to discuss the homeless veterans he worked with and their need for representation. He continued by saying that they felt SB 4 was a good starting point. He concluded, saying that he felt that a member of every veterans' service organization should be on the board, or at least a member of each council, so that every region was represented.

*{Tape: 2; Side: A; Approx. Time Counter: 4.5 - 6.9}*

**Mike Collins, Helena,** stated that in dealing with the issue they needed to look at honesty and whether or not the process had been dealt with openly and fairly. He went on to say that what they were challenged to do was send a vital message to those present and those that would become veterans in the future.

***{Tape: 2; Side: A; Approx. Time Counter: 6.9 - 9.2}***

**Mike Hampson, President of the State Council on Vietnam Veterans of America,** stated that he did not know who the people were that had contacted **Mr. Longfellow.** He reiterated that there were veterans that did not belong to organizations that needed to be represented. He asked if it would be possible to bring the two parties together to see what they could work out.

***{Tape: 2; Side: A; Approx. Time Counter: 9.2 - 10.7}***

**Art Heffelfinger, retired Vietnam officer representing himself,** stated that Mr. Foster had been correct on his information regarding South Dakota. He then stated that Montana had ten times the case load as South Dakota. He further discussed the differences in revenue streams.

***{Tape: 2; Side: A; Approx. Time Counter: 10.7 - 11.5}***

**Keith Heavy Runner, Blackfeet Nation,** stated that rather than having a member from each tribe on the Board they were willing to compromise and break it down into regions. He went on to say that they had a right to have representation on the Board. He pointed out that until the issue had been brought out into the open he had not known who the representative from his district was or where he was located.

***{Tape: 2; Side: A; Approx. Time Counter: 11.5 - 13.5}***

**W. Lee Smith, representing himself,** spoke in support of SB 4. **Mr. Smith** provided his written testimony which is attached as Exhibit 9.

**EXHIBIT**(sts08a09)

***{Tape: 2; Side: A; Approx. Time Counter: 13.5 - 20}***

**Allen W. Erickson, Sr., Executive Director, Montana Veterans' Standdown,** stated that the bottom line was they needed to help the veterans.

***{Tape: 2; Side: A; Approx. Time Counter: 20 - 21.6}***

**Opponents' Testimony:**

**Richard Salyer, Helena on SB 50, Tape: 1; Side: A; Approx. Time Counter: 25.3 - 26.8**

**Informational Testimony: None**

Two letters were presented to the Committee for their information on SB 4 and SB 50, attached as Exhibits 10 and 11.

**EXHIBIT(sts08a10)**

**EXHIBIT(sts08a11)**

**Questions from Committee Members and Responses SB 4 and SB 50:**

**SEN. SPRAGUE, SEN. ROUSH and SEN. SHEA** discussed the need to find a solution, the need to expand the Board and the funding required. They also discussed possibilities of where the funding would come from and the increases that would be required. They went on to discuss the problem of accountability and responsibility/authority. There was a general discussion on the items they could agree on.

***{Tape: 2; Side: A; Approx. Time Counter: 21.6 - 30.1}***

**SEN. WHEAT, SEN. ROUSH and SEN. SHEA** talked about the need for rule making authority, the need for a bigger Board and women veterans on the Board.

***{Tape: 2; Side: A; Approx. Time Counter: 30.1 - 30.8}***

**SEN. WHEAT** asked if he was correct, that one of the things that was critical was providing services to veterans, such as, helping them file their claims and helping them follow-up with the Veterans' Administration. He further asked if these things fell under the category of food services and assistance and if they were critical needs areas. He then asked if the delineation of responsibility of those on the Board was an issue. **SEN. ROUSH** responded that he felt there had been a change in administrators, that the Board had been made aware of the concerns and were aware that they had not been addressed, and that was the reason the bill had been brought forward. He went on to say what they needed to have in the bill, and that there would be responsibility and accountability provided for.

***{Tape: 2; Side: B; Approx. Time Counter: 0 - 3.4}***



**SEN. WHEAT** asked **Art Heffelfinger** if he worked under General Pendergast. **Mr. Heffelfinger** indicated that he did, that he was the Director of the Department of Military Affairs and Assistant Adjutant General of the Montana Army National Guard.

**SEN WHEAT** asked **Mr. Heffelfinger** if the Department of Military Affairs preferred one of the bills over the other for the purposes of servicing the veterans and their issues. **Mr. Heffelfinger** replied that was what they wanted to accomplish and would not take a position of choosing one bill over the other.

**SEN. WHEAT** stated that he had heard some people testify that the veterans would be better served under SB 4 which would place the responsibility of the veterans under the Department of Military Affairs. He went on to say that there were those that believed that SB 50 would be better as the Board would be administratively attached to the Department of Military Affairs. He concluded that he was trying to decide which method would best serve the Veterans. **Mr. Heffelfinger's** responded that they tried to help the Board of Veterans when they were asked to do so with all of the resources they had available.

**SEN. WHEAT** asked **Mr. Heffelfinger** if they could help as easily if the Board was attached to the Department of Military Affairs administratively as they could if it became an Integral part of the Department. **Mr. Heffelfinger's** answer was inaudible.

*{Tape: 2; Side B; Approx. Time Counter: 3.4 - 6.7}*

**SEN. WHEAT** asked **Mr. Heffelfinger** if it was fair to say that the lines of communication between his office and **Mr. Foster's** officer would remain virtually the same under both SB 4 and SB 50. **Mr. Heffelfinger** replied that the lines of communication were very grim and regardless of the future, would continue to be so.

**SEN. SPRAGUE** asked **Mr. Heffelfinger** if they isolated themselves, and were not tied to the Department of Military Affairs, would one-half of the problem get worse instead of better. **Mr. Heffelfinger** responded that they needed the Department of Military Affairs.

*{Tape: 2; Side: B; Approx. Time Counter: 6.7 - 11.8}*

Closing by Sponsors:

**SEN. SHEA** thanked the Committee and the witnesses for a good hearing. She remarked about the comments on the many women veterans in the State. She continued by saying that she was glad to see so many committed, passionate and intelligent veterans present and to hear about their priorities and concerns. **SEN. SHEA** commented on the overwhelming support for SB 50. She then discussed SB 4.

*{Tape: 2; Side: B; Approx. Time Counter: 11.8 - 15.6}*

**SEN. ROUSH** thanked the Committee and the veterans. He discussed who would be the better advocate for the veterans. **SEN. ROUSH** recommended that the Committee read the 2002 State Administration and Veterans' Affairs Interim Committee report, for a better understanding of the problem and their proposed recommendations. **SEN. ROUSH** expressed the concerns of the Department of Military Affairs. **SEN. ROUSH** stated that SB 4 would create a Coordinating Council and explained the concept and its merits. He then remarked on the importance of having Native Americans on the Council. He concluded by discussing the need to make use of federal grants that may be available and **SEN. WHEAT'S** concerns.

*{Tape: 2; Side: B; Approx. Time Counter: 15.6 - 27.8}*

**SEN. COBB** announced that a Subcommittee, to be Co-Chaired by **SEN. SPRAGUE** and **SEN. WHEAT**, would work on SB 4 and SB 50. He explained how he wanted the Subcommittee organized and what he wanted to try to accomplish. (Portions of the Tape 3 were inaudible.)

*{Tape: 2; Side: B; Approx. Time Counter: 27.8 - 28.7}*

*{Tape: 3; Side: A; Approx. Time Counter: 0 - 2.8}*

### EXECUTIVE ACTION SJR 3

Motion: **SEN. COBB** moved that SJR 3 DO PASS.

**Pat Murdo, Legislative Services**, explained the proposed amendment which is attached as Exhibit 12.

**EXHIBIT**(sts08a12)

Motion/Vote: **SEN. COBB** moved that AMENDMENT TO SJR 3 DO PASS.  
Motion carried unanimously.

Vote: SEN. COBB moved that SJR 3 DO PASS AS AMENDED. Motion carried unanimously.

*{Tape: 3; Side: A; Approx. Time Counter: 2.8 - 6}*

**ADJOURNMENT**

**Adjournment: 5:15 P.M.**

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SEN. JOHN COBB, Chairman

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MARI PREWETT, Secretary

JC/MP

**EXHIBIT (sts08aad)**